

QUARTERLY REPORT

For the month ending 31 March 2010

HIGHLIGHTS

JABAL SAYID PROJECT HIGHLIGHTS

Engineering

Key activities completed for this quarter included:

- 13,000 hours were completed on early engineering activities, a total of 25,500 hours to date.
- All vendor data for major packages consisting of crushers, grinding mills, flotation cells, thickeners, apron feeder and cyclones received.
- The camp accommodation Stage 1 tender reached the shortlisted stage.
- The mine design and scheduling optimisation made steady progress with potential capital savings identified.
- Underground refurbishment continued with the installation of equipment including ventilation.



Figure 1: Underground decline refurbishment

Exploration

Results from fixed loop EM surveying provided several significant conductors and EM anomalies from several areas. These anomalies present targets for further drilling and exploration.

Lode 1 Expansion Study

The expansion scoping is ongoing with resource work on Lode 1 being undertaken with infill drilling. Metallurgy and mine design work is also ongoing.

Recent drilling results include 79m at 2.03% copper, 0.97g/t gold and 53.55g/t silver from hole BDH1076. This along with current drilling will be sent for metallurgical testwork.

EXPLORATION HIGHLIGHTS

Baydan Zinc-Gold-Silver

Data verification and due diligence work at the Baydan zinc and gold project has identified historical drilling which includes:

- 25.75m at 2.74g/t gold, 72g/t silver, 6.02% zinc and 0.59% copper from 121.9m (BAYC010).
- 13m at 1.18g/t gold, 42g/t silver, 5.41% zinc and 0.92% copper from 67.55m (BAYC006).
- 3m at 27% zinc, 3.6% copper and 42g/t silver from 96.4m (BAYC011).

This will be followed up with EM work and Citadel drilling.

Lahuf Gold

A shallow percussion exploration drilling program has returned the following result:

- 8m at 3.34g/t gold from 19m (LH023RC) including 4m at 17.56g/t gold from 19m.

SAFETY

There were no lost time injuries for the quarter.

Total in-country man hours for the quarter were 47,149 (Jabal Sayid 30,058, Shayban 3,496, Wadi Kamal 1,012 and Jeddah 12,583).

A comprehensive Emergency Response Plan was developed during the quarter. First Aid training of all personnel commenced and the Red Cross will provide basic emergency response training to be completed by mid-year.

Security and Safety personnel worked closely with the Department of Civil Defence to develop fire fighting training courses for site personnel. This training will be ongoing for several months.

QUARTERLY OPERATIONS

JABAL SAYID COPPER GOLD PROJECT

During the quarter the following work was completed for the Jabal Sayid Project.

Engineering and Procurement

Key activities completed this quarter:

- A further 13,000 hours were expended on early engineering activities, a total of 25,500 hours to date.
- All vendor data for major packages consisting of crushers, grinding mills, flotation cells, thickeners, apron feeder and cyclones received.
- The camp accommodation stage 1 tender reached the shortlisted stage.
- Bids have been received for the Camp Operation and Maintenance contract and have reached the shortlisted stage.
- The Underground mine design and scheduling made steady progress with savings in quantities anticipated.
- The provision of power contract with TAAQA was finalised.
- The 10 year rental agreement with the Yanbu port was finalised.
- The mine development and mining contract with Byrncut was negotiated with some

remaining work around terms and conditions to be completed next quarter.

- The Engineering, Procurement and Construction Management contract with SNC Lavalin was negotiated with all major terms agreed and some remaining work around the Scope of Services to be completed next quarter.
- Project management and controls systems were implemented.
- Work on the camp refurbishment included construction of new office facilities for the underground mining contractor and installation of dedicated first aid facilities.



Figure 2: Jabal Sayid camp refurbishment

Marketing, Shipping and logistics

Jabal Sayid concentrate is to be exported in bulk from the Red Sea Port of Yanbu. Yanbu is approximately 400 kilometres from the Jabal Sayid Project and is connected to the mine site by a system of existing two and six lane sealed highways. The port has a draft which will comfortably accommodate handy-size and handy-max vessels for shipment of concentrates in bulk to ports in the Middle East, Europe, India and Asia. During the quarter, a ten year rental agreement was concluded with Yanbu Port Authority. The rental agreement provides Bariq with access to a warehouse within Yanbu Port for storage of concentrate prior to export.

Copper concentrate demand is very strong and the market is forecast to be in deficit for a number of years due to planned smelter expansions and continual supply side constraints. The Jabal Sayid concentrate contains a good copper grade at 25% to 27% and is exceptionally clean, containing no elements subject to penalty. In late 2009, a five year 50,000 dry metric tonne per annum off-take

contract was agreed with international trading house Transamine SA. Off-take contracts will be negotiated with additional counterparties for the majority of the mine's annual production over the coming quarter.

Project Finance

During the quarter, the Company worked with joint lead advisors WestLB and Riyad Bank to structure a proposed US\$140 million debt facility to provide financing for the development of Jabal Sayid. WestLB and Riyad Bank are assisting and advising on debt structuring and transaction execution with a view to launching a small bank club loan this quarter. WestLB has obtained preliminary credit approval to provide a proportion of the proposed facility (subject to completion of diligence and loan documentation).

The banks' independent experts have all been appointed and lenders' due diligence is well underway. Marketing of the project to potential financiers in the Middle East, Europe and Australia is ongoing. Over the balance of this year the Company will work with a small number of local Saudi banks and international banks to arrange and complete negotiations of the project financing.

Project Corporate

The Company continued to work closely with the Deputy Ministry of Mineral Resources and the Ministry of Petroleum and Mineral Resources to assist with their review of the Jabal Sayid project and grant of the mining licence.

As per the approval process within the Government a committee meeting was held to review the project information. No objections were communicated by the committee to the Company and the Company understands that the licence has been prepared and has been sent to the Minister for final approval.

The management and engineering team is assessing what the impact of the delay in the mining licence will have to the project execution schedule and commissioning date. The engineering work continued through the quarter

which will help mitigate delays however, site works were scheduled to commence in late February and these works along with construction engineering have been postponed pending the receipt of the mining licence.

PROJECT PLANNED WORK PROGRAM DURING THE JUNE QUARTER

Most of the early engineering major packages will be closed out during the quarter including those for crushers, grinding mills, flotation cells and thickeners.

Budgeted engineering for the next quarter is A\$6.2 million.

Procurement activities will focus on finalising quotations and moving into service or purchase contracts for major equipment items for which the early engineering is completed.

The major service contracts for mining, camp services and transport and logistics will be completed together with the EPCM contract with SNC Lavalin.

Mobilisation of key personnel and contractors to site will be dependent on the receipt of the mining licence.

Work on the project financing will continue with the remaining banks expected to complete credit approval.

Contracts for concentrate off-take will be finalised during the quarter with the Company targeting sales commitments of approximately 70% to 80%.

EXPLORATION PROGRAM

WADI SHUGEA PROJECT

Citadel's Wadi Shugea project is located about 130 kilometres northeast of Jeddah and covers 203 square kilometres of the highly prospective Neo-Proterozoic Ariab-Samran-Shayban volcanic belt. Reconnaissance exploration over the eastern portion of the project area has discovered numerous additional gossans and ancient workings along the Shayban-Baydan

volcanogenic trend. This further highlights the potential of the package to host further volcanic hosted massive sulphide deposits (VHMS).

A detailed geological mapping program commenced late in the quarter and will cover the 15 kilometres strike extent of the Baydan-Shayban trend. The program will start at the Bahrán Gossan prospect (in the south) and will work northward along the favourable mineralised corridor to Jabal Baydan and eventually through to Shayban. The mapping combined with the recently completed rock chip sampling program (795 samples) will assist in the planning of a geophysical (EM) survey covering the most prospective parts of the Shayban-Baydan belt.

SHAYBAN GOLD-COPPER-SILVER

The completion of the Jabal Shayban resource estimate has been delayed to reallocate expenditure for the EM programs currently being undertaken.

Extensive re-logging of selected diamond drill core from the BRGM was useful in order to confirm the geological model for Shayban. It was used to reconfirm Shayban's volcanogenic origins, host rock composition, together with the nature of the compressional tectonic regimes which gave rise to Shayban's associated shear zones.

The re-logging confirms that Jabal Shayban is a volcanogenic massive sulphide (VMS) Au-Cu-Zn deposit hosted by a felsic volcanoclastic succession that moderately dips to the northwest. The mineralization comprises disseminated and semi-massive pyrite-chalcopyrite-sphalerite as well as pyrite-chalcopyrite stockwork zones both of which are accompanied by a strong black chlorite alteration. The re-logging also revealed the presence of steeply southeast-dipping hydrothermal feeder structures that cut across the volcanoclastic succession. The VMS mineralization has been overprinted by a series of anastomosing northeast-striking and steeply northwest-dipping shear zones (Figure 3). Future exploration will utilise this revised geological understanding allowing for better drill targeting.

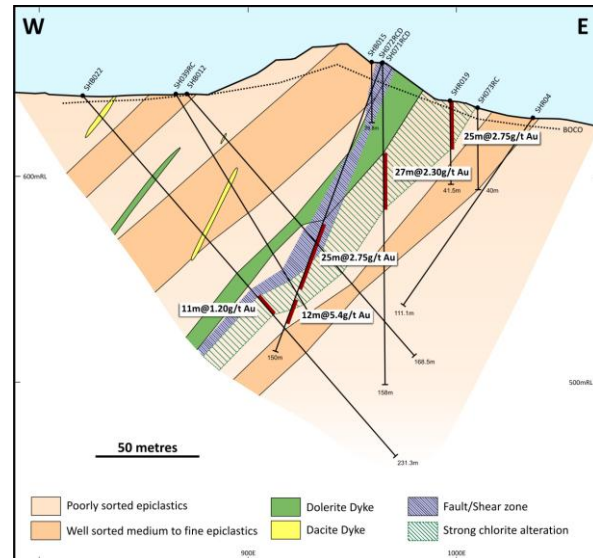
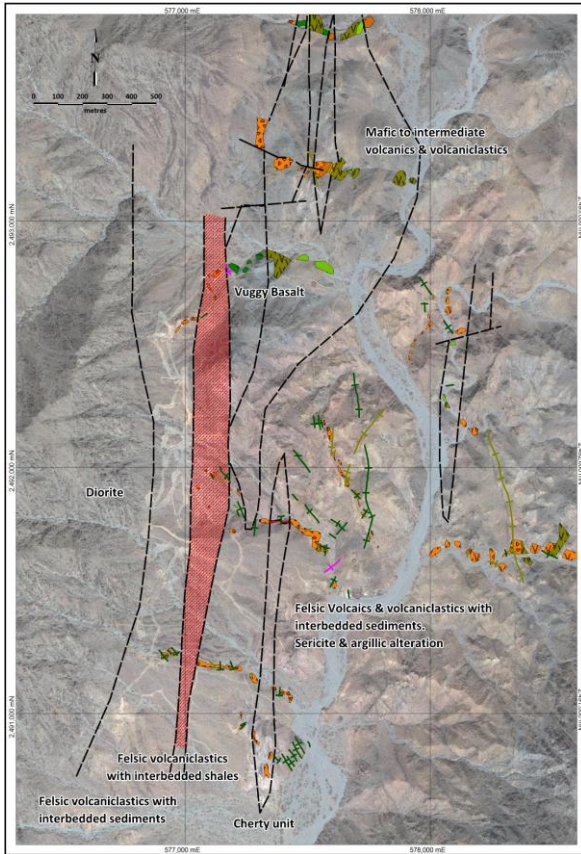


Figure 3: Geological cross-section from the southern part of the Shayban deposit (section 5225N).

BAYDAN ZINC-GOLD-SILVER

The Jabal Baydan Au-Ag-Cu-Zn prospect is located 6.5 kilometres south of Jabal Shayban. Mineralisation is hosted by graphitic shales within a sequence of felsic volcanics and volcanoclastic sediments and mafic to intermediate volcanics. Mineralisation is strata bound with massive to semi-massive pyrite-sphalerite and minor chalcopyrite. A stockwork feeder zone with anomalous Zn-Cu mineralisation sits below the graphitic, massive sulphide horizon (Figure 4).

Previous drilling by the BRGM has demonstrated a significant Au-Ag-Cu-Zn VMS occurrence with a strike length of 2 kilometres. Better primary (sulphide) results from this work include 25.75m at 2.74g/t gold, 72g/t silver, 6.02% zinc and 0.59% copper from 121.9m (BAYC010), 13m at 1.18g/t gold, 42g/t silver, 5.41% zinc and 0.92% copper from 67.55m (BAYC006) and 3m at 27% zinc, 3.6% copper and 42g/t silver from 96.4m (BAYC011).



Legend

- | | |
|--|---------------------|
| Vuggy Basalt | Rhyolite |
| Basaltic Andesite | Dolerite Dyke |
| Intermediate Pyroclastic | Diorite Dyke |
| Intermediate Volcanics | Andesite Dyke |
| Porphyritic Andesite | Fault |
| Chert | Interpreted Contact |
| Undifferentiated Felsic Volcanic | Mineralized Zone |
| Felsic Crystal Tuff | |
| Undifferentiated Felsic Volcaniclastic | |
| Felsic Sediments | |

Figure 4: Baydan interpreted geology and mineralised unit highlighted as red hatching. This unit has a 2 kilometres strike extent and hosts numerous gossans and sites of ancient workings.

The current 1:2000 scale geology mapping program and the planned fixed loop EM survey over Baydan will provide new drill targets. Citadel already has an infill and extensional drilling program planned for Baydan which is due to commence early in the next quarter.

MAHD ADH DHAHAB PROJECT

BARI GOLD

Bari is located about 38 kilometres southeast of the Mahd Adh Dhahab gold mine (+5Moz) and is within 80 kilometres of Citadel’s Jabal Sayid Cu-Au project. It comprises a cluster of over 180 ancient gold workings covering an area of 8 square kilometres. An ancient slag dump containing in excess of 3,000 tonnes of slag demonstrates the extent of the ancient mining in this district.

Assays are still pending with no base metal results yet received and incomplete precious metal results received for four holes.

An interpreted geology map has been compiled for Bari based on the recently completed 1:2,000 scale mapping (Figure 5). Bari is dominated by medium-grained granodiorite shown in pink on Figure 5. The granodiorite intersects a coarse-grained hornblende-diorite (light green) and in turn is cut by younger monzonite stocks (light pink) and east-west trending rhyolite dykes (yellow). A coarse-grained muscovite-granite (very light pink) represents the youngest intrusion, located in the north-eastern part of the area (Figure 5).

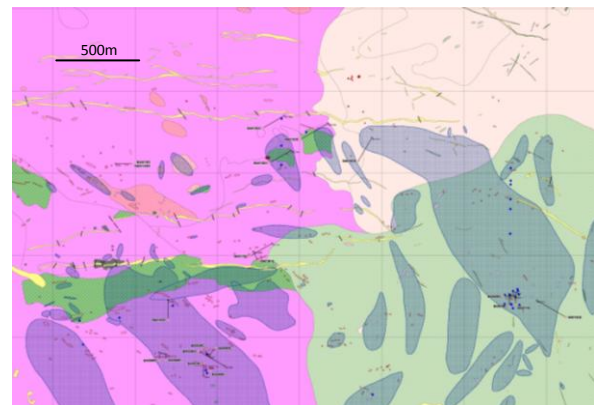


Figure 5: Geological interpretation map of southern Bari showing the main intrusions mentioned in the text and also zones of hydrothermal breccias, propylitic and potassic alterations zones.

Diamond drilling suggests that both potassic alteration and quartz-pyrite veining are spatially associated with later stage small to medium stocks of fine-grained quartz-diorite that cut most units (Figure 6). The quartz-diorite

intrusions postdate the hornblende-diorite and are shown in dark green on Figure 6. Isotopic Re-Os dating on a molybdenite sample derived from hole BA013DD is in progress at the isotope laboratory of Colorado State University.

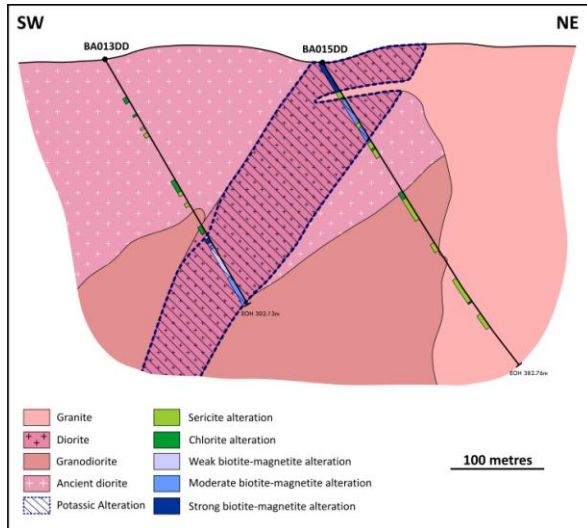


Figure 6: Interpreted geological cross-section from southern Bari. The potassic alteration overprinting the quartz-diorite intrusion is outlined in blue.

A geochemical Auger soil sampling programme covering approximately 25 square kilometres of the southern part of the Bari tenement is proposed in order to constrain the distribution of the hydrothermal geochemical and alteration zones.

LAHUF GOLD

The Lahuf prospect area is located about 10 kilometres along strike from the Mahd Adh Dhahab gold mine (+5Moz) and some 40 kilometres south of Citadel's Jabal Sayid Cu-Au project. Similar to Mahd Adh Dhahab the mineralization identified within the Lahuf exploration licence comprises pyrite, chalcopyrite, sphalerite and galena hosted by both colloform banded low-sulfidation epithermal and quartz breccias style veins. The veins are hosted by a volcanoclastic sequence of intermediate lavas and their epiclastic products that belong to the Tuwal and Lahuf Formations.

Detailed geological mapping (1:2000 scale) of selected prospects comprising auriferous quartz veins at the Lahuf property has been completed. Many of these veins identified during this

mapping are stained with malachite and contain high gold contents in rock chip samples. Several veins are also associated with sericite-adularia alteration indicating that boiling was the main process for the gold precipitation.

A regional-style, shallow percussion drilling program was recently commenced as follow-up to this mapping and sampling program. Figure 7 provides an overview of the drill hole locations.

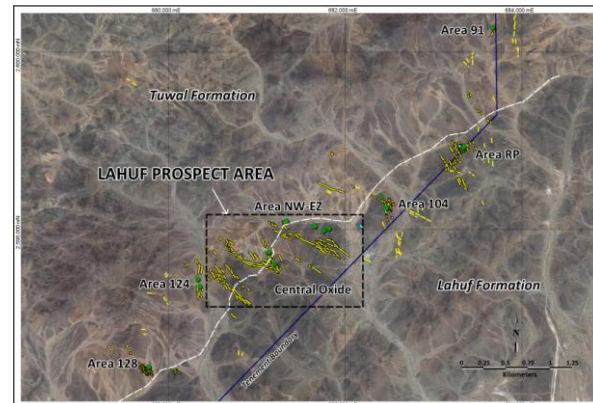


Figure 7: Overview of the percussion exploration drilling program at Lahuf showing the location of individual prospects and the Lahuf Central Zone, respectively. Drill holes are shown in green.

Ten holes (LH019RC-LH028RC) have been completed to date. The best intersections returned so far from this program are 8m at 3.34g/t gold from 19m (LH023RC) including 4m at 17.56g/t gold from 19m.

JABAL SAYID PROJECT

Results from fixed loop EM surveying provided several conductors and EM anomalies from several areas. These anomalies present targets for further drilling and exploration.

Work continued during the quarter on the development of a 3D integrated geological model of the Jabal Sayid Camp. This work will provide a strong framework on which to base future exploration and development activities.

Drilling continued within the Lode 1 resource area in support of the Lode 1 expansion study. The program of resource definition and expansion drilling is nearing completion. Once completed, an updated resource will be undertaken which will facilitate the expansion study.

First results returned from the Lode 1 resource definition/expansion drilling were returned late in the Quarter. The result from the first hole in this program returned 79m at 2.03% copper and 0.97g/t gold from hole BDH1076 (Figure 8). This intersection upgrades the northern near surface portion of the current resource shape. Visually the current program of drilling into the Lode 1 deposit has been very encouraging with several wide intersections of high contents of chalcopyrite observed. The program is due for completion towards the end of April 2010, where upon an updated resource will be calculated in support of the Lode 1 expansion study.

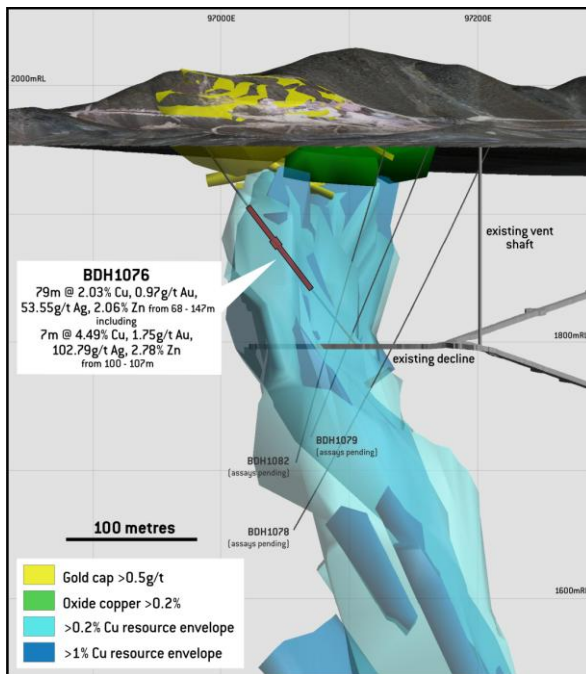


Figure 8: Lode 1

WADI KAMAL NICKEL-PLATINUM

Located close to the Red Sea and just north of the city of Yanbu, Wadi Kamal is a layered intrusion-mafic/ultramafic complex extending over more than 80 square kilometres within the project. The size, intact nature and commonly observed sulphides within the intrusions highlight the potential of the Wadi Kamal layered complex to host significant sulphide deposits. Drilling to date has already intersected up to 1% disseminated pentlandite. The only two

holes drilled within the project were terminated prior to testing the critical basal contact zone. Importantly, pentlandite gossans collected at Wadi Kamal also contain up to 7 g/t platinum.

A fixed loop EM survey is currently underway and will cover seven priority areas within the exploration licence. To date four loops have been completed at Wadi Kamal.

Survey loops WKL2 and WKL2A have highlighted large, shallow and weakly conductive anomalies that gently dip to the northeast (Figure 9). The first Loop (WKL1) also showed a broad anomaly, slightly less conductive and gently dipping to the northwest. Preliminary work suggests both anomalies may reflect disseminated sulphides and therefore need to be drill-tested before any further conclusions can be drawn.

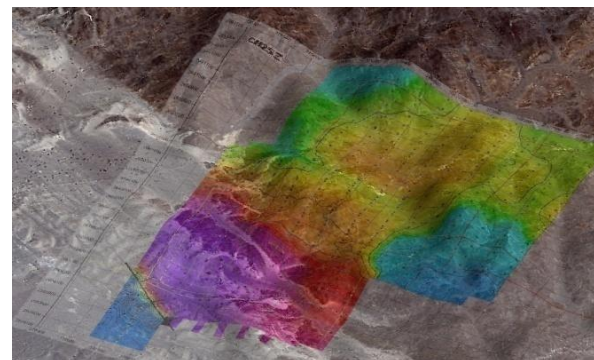


Figure 9: Large and weakly conductive EM anomaly in the southwestern part of Wadi Kamal. Results of EM loops WKL2 and WKL2A are projected on the topographic relief.

EXPLORATION PLANNED WORK PROGRAM DURING THE JUNE QUARTER

The focus of the exploration program for the June quarter will be on the completion of the EM program at Wadi Kamal, follow up EM surveying at Jabal Sayid and a systematic EM survey of the highly prospective Wadi Shugea VHMS trend.

The resource drilling for Lode 1 at Jabal Sayid will continue and some limited drilling may be undertaken at Jabal Baydan.

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For further information please contact:

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Note 1: The information in this report that relates to Exploration Results and Mineral Resources: is based on information compiled by Brett Butlin, who is a Member of the Australian Institute of Geoscientists. Brett Butlin is a full time employee of Citadel Resource Group. Brett Butlin has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Brett Butlin consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Appendices

Table 1: Lahuf significant intercepts – 1st Quarter 2010

Hole ID	Coordinates		RL	Azi.	Incl.	Total Depth (m)	Significant Assay Results 1 st Qtr-2010						
	Northing (UTM)	Easting (UTM)					From (m)	To (m)	Length (m)	Au (g/t)	Ag (g/t)	Cu (%)	Zn (%)
LH023RC	2597606	681203	1078	255	-60	87.00	8 19	10 27	2 8	7.91 3.34	pending pending	pending pending	pending pending
LH024RC	2598239	682474	1046	270	-60	135.00	19	20	1	1.22	pending	pending	pending

Table 2: Lode 1

Hole ID	Co-ordinates		RL	Azi.	Incl.	Total Depth (m)	Significant Assay Results							Significance of Results	
	Northing	Easting					From (m)	To (m)	Length (m)	Grade				Codes	
										Cu (%)	Au (g/t)	Ag (%)	Zn (%)	(see below)	Comments
BDH1076	38309	96977	1968	95	-55	214.8	68	147	79	2.03	0.97	53.55	2.06	UR	
							Incl. 100	107	7	4.49	1.75	102.79	2.78	UR	
X = Not yet drilled			! = Mineralisation at Base of Hole			NZ = New mineralisation zone!									
~ = Hole underway			CI = Confirms geological interpretation			UR = Upgrades Resource									
* = Assays not received			PCI = Partly confirms geological interp.			CR = Confirms Resource									
? = Data subject to verification			DI = Disproves geological interpretation			DR = Downgrades Resource									

Grid is local grid PMG, based on truncated WGS84 Zone 37N. Azimuths are grid azimuths.*

Samples are half HQ diamond core, assayed at Al Amri Laboratory in Jeddah, using fire assay or acid digest, AAS finish

Intersection lengths are calculated downhole, and are presented in this table as length weighted averages

ABOUT CITADEL RESOURCE GROUP

Citadel has a portfolio of copper, gold, zinc and nickel metal projects on the Arabian Shield in the Kingdom of Saudi Arabia. All projects are 100% owned other than Jabal Sayid, which is 50% owned.

ASX Code: CGG

Shares on Issue – As at 31 March 2010

1,390.38m	(listed)
72.64m	(escrowed until Apr 2010)
<u>1,463.02m</u>	<u>Total</u>

41.50m - 20¢ Opts

1m - 30¢ Opts

10m - 35¢ Opts

7.5m – 24.36c employee options

1.2m – employee performance rights

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Kingdom of Saudi Arabia

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

Citadel Resource Group Limited

ABN

92 007 727 959

Quarter ended ("current quarter")

31 March 2010

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (9 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration and evaluation (b) development (c) production (d) administration (e) other working capital	(5,774)	(21,559)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	207	606
1.5 Interest and other costs of finance paid	(415)	(415)
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net Operating Cash Flows	(7,299)	(25,067)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a)prospects (b)equity investments (c) other fixed assets	-	-
1.9 Proceeds from sale of: (a)prospects (b)equity investments (c)other fixed assets	(61)	(573)
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other	-	-
Net investing cash flows	(61)	(573)
1.13 Total operating and investing cash flows (carried forward)	(7,360)	(25,640)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(7,360)	(25,640)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	130	25,945
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (Partly Paid Shares)	192	930
Net financing cash flows		322	26,875
Net increase (decrease) in cash held		(7,038)	1,235
1.20	Cash at beginning of quarter/year to date	33,183	25,192
1.21	Exchange rate adjustments to item 1.20	(74)	(356)
1.22	Cash at end of quarter	26,071	26,071

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	316
1.24	Aggregate amount of loans to the parties included in item 1.10	nil

1.25 Explanation necessary for an understanding of the transactions

Director's fees, salaries and expense reimbursements paid in this quarter.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

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2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

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+ See chapter 19 for defined terms.

• **Financing facilities available**

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	nil	nil
3.2 Credit standby arrangements	nil	nil

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	2,360
4.2 Development	6,980
Total	9,340

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	2,684	3,732
5.2 Deposits at call	23,387	29,451
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	26,071	33,183

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements acquired or increased			

+ See chapter 19 for defined terms.

Issued and quoted securities at end of current quarter


Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference +securities <i>(description)</i>	nil	nil		
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	1,463,017,139	1,390,376,121	Fully paid	Fully paid
7.4 Changes during quarter (a) Increases through issues (b) Increase through conversion of Partly Paid Shares (c) Decreases through returns of capital, buy-backs	183,614 15,328,000	183,614 15,328,000	35.01 cents/share 1.25 cents/share	Fully paid Fully paid ordinary
7.5 +Convertible debt securities	nil	nil		
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	nil nil	nil nil		
7.7 Options	41,500,000 1,000,000 10,000,000 7,549,765	nil nil nil nil	<i>Exercise price</i> 20 cents 30 cents 35 cents 24.36 cents	<i>Expiry date</i> 31 December 2010 27 November 2014 1 August 2013 11 June 2014
7.8 Issued during quarter	7,549,765	nil	24.36 cents	11 June 2014
7.9 Exercised during quarter	3,425,931	nil	20 cents	31 December 2009
7.10 Expired during quarter	1,535,719	nil	20 cents	31 December 2009
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				
7.13 Performance rights <i>(totals only)</i>	1,189,259	nil		

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here:

(Company secretary)

Date: 14 April 2010

Print name: Sue-Ann Higgins

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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